

June 25, 2012

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 Twelfth Street, SW  
Washington, DC 20554

*Via Electronic Filing*

**Re: MB Dkt 09-182, 2010 Quadrennial Review – Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996; MB Dkt No. 10-71, Rulemaking to Amend the Commission’s Rules Governing Retransmission Consent**

Dear Ms. Dortch,

Pursuant to section 1.1206(b) of the Commission’s rules, this notice of *ex parte* communication is submitted in the above referenced proceedings.

On June 21, 2012, Ross Lieberman of the American Cable Association (ACA), Cristina Pauzé of Time Warner Cable (TWC), and Tim Gray and Corie Wright of Free Press met with Bill Lake, Chief of the Media Bureau, and staff members Ben Arden, Steven Broeckaert, Hillary DeNigro, Brendan Holland, Mary Beth Murphy, and Diana Sokolow.

The subject of the meeting was broadcaster resource sharing arrangements. Increasingly, television stations that cannot lawfully merge under the FCC’s local television rules are using such arrangements to circumvent local media ownership protections by consolidating their core operations, including news gathering and production and negotiation of local advertising sales and retransmission consent. These practices subvert the purpose of the Commission’s media ownership limits by diminishing competition, localism, and journalistic independence, while raising consumer costs in local communities.

ACA, Free Press, and TWC explained that such agreements can take a variety of forms, both through legally binding contracts, such as shared services agreements, as well as through non-legally binding arrangements. Regardless of the label and means of coordination, the outcome is often the same: lay-offs of station staff and diminished competition for audiences, advertisers, and retransmission consent. These arrangements also frequently result in the joint production and airing of identical or nearly identical local news content across purportedly “competing” broadcast outlets.<sup>1</sup>

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<sup>1</sup> Yanich, Danilo, *Local TV News & Service Agreements: A Critical Look*, University of Delaware (2011).

The Commission's recent decision to defer consideration of public file disclosure of SSAs and similar agreements<sup>2</sup> does not – and should not – preclude expeditious adoption of policies that target these anticompetitive practices. ACA, Free Press, and TWC each discussed proposed remedies for addressing the competition problems associated with resource sharing arrangements, including a bright line, multi-factor test for attribution of broadcaster resource sharing arrangements and a prohibition on the coordination of retransmission consent by separately-owned broadcasters in the same media market.<sup>3</sup>

Finally, Commission policy should prevent new and reverse existing harms to competition in local communities caused by broadcaster resource sharing arrangements. Any new rules adopted by the Commission to address these practices should not grandfather existing combinations, but should instead provide a reasonable and timely period for stations to come into compliance with the new rules.

In accordance with the Commission's rules this *ex parte* notice is being filed electronically in the above referenced dockets. If you have any questions regarding this filing, please do not hesitate to contact me.

Respectfully  
submitted,

\_\_\_\_\_/s/\_\_\_\_\_  
Corie Wright  
Free Press  
202-265-1490

Cc:  
Bill Lake  
Ben Arden  
Steven Broeckaert  
Hillary DeNigro  
Brendan Holland  
Mary Beth Murphy  
Diana Sokolow

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<sup>2</sup> *Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations, etc.*, Second Report and Order, FCC 12-44 (rel. Apr. 27, 2012), 77 Fed. Reg. 27631 (May 11, 2012).

<sup>3</sup> See *Comments of Free Press*, MB Dkt 09-182 (Mar. 5, 2012), <http://apps.fcc.gov/ecfs/document/view?id=7021898388>; *Reply Comments of Free Press*, MB Dkt 09-182 (April 17, 2012), <http://apps.fcc.gov/ecfs/document/view?id=7021911198>; *Comments of Time Warner Cable*, MB Dkt 09-182 (Mar. 5, 2012), <http://apps.fcc.gov/ecfs/document/view?id=7021898345>; *Reply Comments of Time Warner Cable*, MB Dkt 09-182 (April 17, 2012), <http://apps.fcc.gov/ecfs/document/view?id=7021911051>; *Comments of the American Cable Association*, MB Dkt 09-182 (Mar. 5, 2012), <http://apps.fcc.gov/ecfs/document/view?id=7021898418>; *Reply Comments of the American Cable Association*, MB Dkt 09-182 (April 17, 2012), <http://apps.fcc.gov/ecfs/document/view?id=7021911216>.